Strengthening of economy

†2341. SHRI MAHENDRA SAHNI: Will the Minister of FINANCE be pleased to state:

(a) the details of achievements made so far in pursuance of announcement made by Government to strengthen the economy of the country;

(b) the details of fiscal deficit during the year 2006-07;

(c) names of sectors wherein Government have succeeded in achieving the target out of objectives set in the budget for the year 2006-07; and

(d) the details of objectives which could not be achieved alongwith the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) In pursuance to the announcement made by the Government in the Union Budget 2006-07, a brochure titled 'Implementation of Budget Announcements' was placed before the House on 28th February, 2007. This document, *inter-alia* spells out the Budget announcement for 2006-07 in terms of programmes and policy initiatives and gives the status of their implementation. As regards fiscal deficit, the Union Budget 2006-07 had targeted the fiscal deficit to GDP ratio at 3.8 per cent. The revised estimate for fiscal deficit to GDP ratio for 2006-07 has been placed at 3.7 per cent. The fiscal consolidation is proceeding according to the FRBM Act.

Hike in interest on home loans

†2342. MISS ANUSUIYA UIKEY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rate of interest is being increased by RBI in order to slow down the para of growth of home loans;

(b) if so, the rates of interest that have been prevailing during the current and last financlal years;

(c) whether this increase in rate of interest will not adversely affect the common man and whether it will not be a blow on their desire of having their own house; and

†Original notice of the question was received in Hindi.

(d) whether Government would consider to keep the rates of interests stable, if so, by when a decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) The interest rates on advances above Rs. 2 lakhs have been deregulated by Reserve Bank of India (RBI) and banks are free to fix the rate of interest themselves with the approval of their Boards. Banks have been advised to fix their Benchmark Prime Lending Rate (BPLR) after taking into account cost of funds, transactions cost, risk factor margin and other overhead expenses. However, banks are free to charge interest without reference to their Benchmark Prime Lending Rate (BPLR) and regardless of the size in respect of consumer loans and non-priority sector personal loans including home loans. Further, the Public Sector Banks are expected to rein in interest rate on home loans at current rates, provided they are in a position to address the rebalancing of their credit fortfolio. The rates of interest on home loans in certain banks for which information is readily available are given in the Statement.

Statement

Interest Rates on Home Loans by Public Sector Banks

	Interest rates during 2005-06		Current Interest rates (February 2007)	
Name of Bank	Fixed(%)	Floating(%)	Fixed(%)	Floating(%)
1	2	3	4	5
1 State Bank of India	—	9.00	—	10.0
2 State Bk. of Bikaner & Jaipur	9.25 to 9.5*	8.50 to 9.25	10.25 to 10.50*	9.50 to 10.50
3 State Bank of Mysore	8.75 to 9.25**	8.25 to 9.25	10.0 to 10.25**	9.25 to 10.25
4 State Bank of Saurashtra	9.50	--	9.75	—
5 State Bank of Travancore	9.25 to 9.50*	8.50 to 9.25	—	10.5 to 11.0
6 Allahabad Bank	8.75 to 9.25	7.75 to 8.25	10.75 to 11.75	9.75 to 10.75
7 Bank of India	8.5 to 9.25	7.5 to 8.25	9.5 to 10.75	8.75 to 9.75
8 Bank of Baroda	9.0 to 9.5	8.0 to 8.50	10.75 to 12.0$	10.0 to 11.0$
9 Bank of Maharashtra	8.50 to 9.25	—	9.75 to 10.25*$	9.0 to 9.75$

1	2	3	4	5
10 Canara Bank	8.0 to 9.25	7.50 to 8.50	9.50 to 10.0#	9.0 to 9.5
11 Central Bank of India	8.0 to 9.0	7.50 to 8.50	8.50 to 9.50	8.0 to 9.0$
12 Corporation Bank	8.0 to 8.50@	7.50 to 8.50	10.0 to 10.75@	9.5 to 10.25
13 Indian Bank	8.50 to 9.25$$	8.0 to 8.75$$	9.75 to 11.0	9.0 to 9.75
14 Indian Overseas Bank	9.0 to 10.50	7.75 to 9.5	9.50 to 10.50	9.0 to 10.25
15 UCO Bank***	8.00 to 9.00	—	8.50 to 10.50	—
16 United Bank of India	8.50 to 10.0	7.5 to 9.5	10.0 to 11.5	9.75 to 11.75

*Fixed rates upto 10 years only.

**Fixed rates upto 15 years only.

$Upto Rs. 20 lakh

#Upto 10 years and Rs. 15 lakh only.

@Tenure restricted to 20 years.

$$1/2/2006 to 31/5/2006

***Fixed/floating not specified.

Lower excise duty on special 4000MM long car

2343. SHRI VIJAY KUMAR RUPANI: Will the Minister of FINANCE be pleased to state:

(a) the progress made under Automotive Mission Plan to manufacture small cars;

(b) whether it is a fact that for a special 4000 mm long car, excise duties were lowered to 16 per cent instead of regular 24 per cent in the budget of 2006-07;

(c) whether it is also a fact that Automotive Mission expects his Ministry to approve 3800 mm long cars;

(d) if so, whether any decision has been taken; and

(e) how much investment is expected under the Automotive Mission Plan?